



North Carolina Department of Revenue

Roy Cooper
Governor

Ronald G. Penny
Secretary

March 11, 2020

In response to SB 557, Ratified (Section 8.1) which requires that the Department shall report to the Joint Legislative Oversight Committee on General Government on its progress in updating its electronic tax systems to store and recognize power of attorney registrations, I offer the following report.

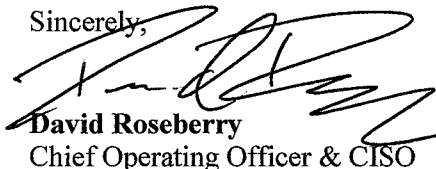
In order to store and recognize power of attorney (POA) registrations to ensure that notices generated by the Department are simultaneously sent to both the taxpayer and the person designated in the taxpayer's power of attorney registration, the Department of Revenue has been seeking appropriate software to facilitate the capture and digitization of the POA and the related DOR form (GEN-58).

We have identified the first component of that overall process and have decided to use DocuSign to facilitate the legal signature and GEN-58 capture. This allows us to digitize the information necessary to register the POA in a repeatable, machine readable way. DocuSign software was available on state contract and we have piloted a POA process to ensure that the DocuSign product met our needs. The Department will begin working on moving the pilot to production which is targeted for the summer of 2020.

The Department is now identifying the second component of the POA process that will allow us to cross reference the GEN-58 data with notice data as the notices are generated. The technology necessary to do this work has been identified as a Document Management system (which is a subset of the Content Services Platform capabilities as the IT market labels it). There are several vendors already on state contract and it is hoped that one of these systems will be suitable for use and that we will not have to go through a protracted IT procurement process. The Department is in the process of working with the vendors to see demonstrations and determine if one will meet our needs. The potential solution will then be piloted as well to verify that notices generated by the Department are simultaneously sent to both the taxpayer and the person designated in the taxpayer's power of attorney registration.

The Department has estimated that the annual cost of a Document Management system will be approximately \$500,000 to cover licenses. The Department will be able to absorb the cost of the DocuSign software. The Department will continue to refine the cost estimate and will request authorization to use funds from the Collections Assistance Fee (CAF) to implement the for an automated POA solution.

Sincerely,



David Roseberry
Chief Operating Officer & CISO